

Register No.: ..... Name: .....

**SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)**

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

**FOURTH SEMESTER MBA DEGREE EXAMINATION (S), SEPT 2022**

(2020 Scheme)

Course Code : 20MBA232

Course Name: Financial Information Analysis

Max. Marks : 60

Duration: 3 Hours

**PART A***(Answer all questions. Each question carries 2 marks)*

1. What are the uses of financial statements?
2. List two short-term solvency ratios with formula?
3. What is the difference between cash and fund?
4. Explain the term free cash flow.
5. Outline the uses of forecasting?

**PART B***(Answer any 3 questions. Each question carries 10 marks)*

6. Explain discounted cash flow approach of valuation. Elaborate the steps involved in valuing a firm using discounted cash flow approach.
7. Examine the performance of Teeya Ltd using a comparative statement from the following information and comment on the position of the firm:

**Income Statement for the year ended 31<sup>st</sup>  
March 2019 & 2020**

Particulars	2018-19 (Rs)	2019-20 (Rs)
Net Sales	6,00,000	5,70,000
Cost of Goods Sold	3,78,000	3,60,000
Operating Expenses	62,500	60,000
Depreciation	22,000	22,000
Income from Investments	70,000	89,000
Income Tax	32,500	40,000

**Balance Sheets as on March 31, Statement for the  
year ended 31<sup>st</sup> March 2019 & 2020**

Particulars	2018-19 (Rs)	2019-20 (Rs)
<b>Liabilities</b>		
Share Capital	2,00,000	2,90,000
Reserves	40,220	40,000
Profit and Loss	15,555	14,292
Long-term Loan	18,965	19,262
Creditors	5,125	5,125
Bills Payable	2,300	2,195
Creditors	13,000	15,000
Outstanding Expenses	2,220	1,011
<b>Total Liabilities</b>	<b>2,97,385</b>	<b>3,86,885</b>
<b>Assets</b>		
Land and Building	50,000	70,000
Plant and Machinery	1,00,000	1,00,000
Furniture	30,000	62,500
Stock	6,165	8,192
Debtors	40,000	52,000
Bills Receivable	50,000	49,020
Cash	1,000	20,000
Pre-paid Expenses	20,220	25,173
<b>Total Assets</b>	<b>2,97,385</b>	<b>3,86,885</b>

8. What is a fund flow statement? Explain the managerial uses of the fund flow statement.
9. Construct a balance sheet with the following details of CEE Ltd.

<b>Capital &amp; Liabilities</b>		<b>Assets</b>	
Short term debt	.....	Cash Inventory	.....
Long term debt	.....	Total current assets	.....
Owner's equity	.....	Fixed assets	.....
	.....		.....

Assume that firm has an Owner's equity of Rs 1,00,000. The ratios for the firm are:

Short term debts to total debts	0.4
Total debt to owner's equity	0.6
Fixed assets to owner's equity	0.6
Total Asset turnover	2 times
Inventory turnover	8 times

10. What is forecasting? List out the steps involved in financial forecasting.

### PART C

*(Compulsory question, the question carries 20 marks)*

11. Build a cash flow statement from the following information of ZXD ltd:

#### Balance Sheet as on 31st March

<i>Liabilities</i>	<i>2018 (Amount in Rs)</i>	<i>2019 (Amount in Rs)</i>	<i>Assets</i>	<i>2018 (Amount in Rs)</i>	<i>2019 (Amount in Rs)</i>
Share capital	12,00,000	15,00,000	Buildings	8,00,000	7,60,000
14% Debentures	6,00,000	4,00,000	Machinery	5,00,000	7,20,000
P&L a/c	1,00,000	1,50,000	Short term investments	3,00,000	4,50,000
General Reserve	3,00,000	3,50,000	Inventories	4,00,000	4,70,000
Creditors	4,90,000	5,60,000	Debtors	6,70,000	5,30,000
Proposed dividend	1,20,000	1,80,000	Cash at bank	2,20,000	3,30,000
Provision for taxation	1,00,000	1,30,000	Prepaid expenses	20,000	10,000
	<b>29,10,000</b>	<b>32,70,000</b>		<b>29,10,000</b>	<b>32,70,000</b>

#### Additional Information

1. Debentures were redeemed at premium of 10%
2. Taxes paid during the year amounted to Rs. 1,00,000
3. A machine which appeared at a written down value of Rs 80,000 was sold for Rs 1,30,000; and new machines worth Rs.3,60,000 were acquired during the year

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